

# Medicaid 1915 (i) Option Home and Community Based Services

Joint Appropriations Subcommittee on Health and Human Services  
March 5, 2013

Carol Steckel, MPH  
Director, Division of Medical Assistance

Kelly Crosbie, LCSW  
Assistant Director, Behavioral Health Services

# ***Overview of Current Medicaid Waivers***

- Health Home State Plan Amendment: Primary Care Case Management program (CCNC)
- 1915 b waiver: Behavioral Health & IDD Services
- 1915c Waiver: CAP Intellectual/Developmental Disabilities (I/DD)
- 1915 c Waiver: Innovations (I/DD)
- 1915 c waiver: CAP Disabled Adults (DA)
- 1915 c waiver: CAP Children (C)
- 1915c waiver: CAP Choice (disabled adults)
- 1915 c waiver: PACE (frail elderly)
- Proposed: i Option (individuals with IDD)

## ***Overview of the Medicaid Request for Information (RFI)***

- DHHS is interested in receiving information, recommendations and suggested approaches regarding innovative system and payment reforms to the Medicaid program that are based on the following principles (including):
  - **Address the need for coordination between physical health and behavioral health**
  - **May include information that address the full continuum of care, including long term care support and services**

## ***Medicaid Reform & the (i) Option***

### **Questions:**

- Where does the i option fit into the bigger question of Medicaid reform?
- How does it fit into an examination of the Long Term Care (LTC) continuum?
- Goal—an immediate fix for funding? Or longer term strategy for system redesign?

## ***Authority to Explore (i) Option***

### **SL 2011, HB 916**

- *DHHS shall determine the feasibility of adding habilitation services to the State Medicaid Plan through the 1915(i) Option as a strategy to address the needs of Medicaid enrollees with IDD who are not enrolled in the Innovations Waiver and are not residing in an intermediate care facility for the mentally retarded (ICF-MR facility).*
- **Blue Ribbon Commission**
- *.... directs the DHHS to prepare a Medicaid “I” option application with a narrow focus on habilitation services for adults with intellectual and other developmental disabilities*

## ***The Medicaid 1915 (i) Option***

- Allows states to offer Home and Community Based Services (HCBS) benefit under a State Plan
- Targets the benefit to one or more specific populations
- Cannot target specific living arrangements except that the living arrangement must meet CMS home and community living standards
- Need must be based on independent and unbiased assessment
- Must be approved by CMS as a State Plan service

# ***1915 (i) Option vs. Personal Care Services Target Population***

<b>Personal Care Services (PCS)</b>	<b>Individualized Support 1915 (i) Option</b>
<ul style="list-style-type: none"><li>• Individuals with a medical condition, disability or cognitive impairment</li><li>• Demonstrated need for hands-on assistance with qualifying activities of daily living (ADLs) – bathing, dressing, mobility, toileting and eating</li></ul>	<ul style="list-style-type: none"><li>• Individuals age 18 or older with documented I/DD diagnosis</li><li>• Does not meet need for Intermediate Care Facility for IIDD (ICF-IIDD)</li><li>• Physician documented limitations in ability to independently acquire, improve, and retain skills necessary to participate in home life or community activities</li></ul>

# ***1915 (i) Option vs. Personal Care Services Eligibility Criteria***

<b>Personal Care Services (PCS)</b>	<b>Individualized Support 1915 (i) Option</b>
<p><b>Unmet need for, at minimum</b></p> <ul style="list-style-type: none"><li>• limited hands-on assistance with three of the five qualifying ADLs;</li><li>• hands-on assistance with two ADLs, one of which requires extensive assistance; <b>or</b></li><li>• hands-on assistance with two ADLs, one of which requires full assistance</li></ul>	<p><b>Unmet need for</b></p> <ul style="list-style-type: none"><li>• hands-on assistance with two ADLs</li><li>• set up / supervision assistance, including cueing / prompting, <b><u>with an expectation of skill building (habilitation) with one ADL</u></b></li></ul>

# ***1915 (i) Option vs. Personal Care Services Living Arrangements***

<b>Personal Care Services (PCS)</b>	<b>Individualized Support 1915 (i) Option</b>
<ul style="list-style-type: none"><li>• Private living arrangement</li><li>• Residential facility licensed by the State of NC as an adult care home, a combination home as defined in G.S. 131E-101(1a), or a group home licensed under Chapter 122C of the General Statutes</li></ul>	<ul style="list-style-type: none"><li>• Private living arrangement</li><li>• Residential facility licensed by the State of NC as an adult care home, a combination home as defined in G.S. 131E-101(1a), or a group home licensed under Chapter 122C of the General Statutes</li></ul>



# ***1915 (i) Option vs. Personal Care Services Benefit Limit***

<b>Personal Care Services (PCS)</b>	<b>Individualized Support 1915 (i) Option</b>
<ul style="list-style-type: none"><li>•Beneficiaries age 21 years and older – up to <b>80</b> hours of service per month</li><li>•Beneficiaries under 21 years – up to 60 hours of service per month</li></ul>	<ul style="list-style-type: none"><li>•Beneficiaries age 21 years and older – up to <b>60</b> hours of service per month</li></ul>

## ***1915 (i) Option Independent Assessment***

- CMS requires assessment that is independent and unbiased
- Amount of service, up to 60 hours per month, will be based on assessment
- Assessment will be completed by an independent entity
- The assessment tool used for PCS could be used for Individual Supports to determine the beneficiary's ADL self-performance capacities.

## ***1915 (i) Option Ongoing Development***

- The General Assembly must direct DMA to develop and submit a State Plan Amendment (SPA)
  - CMS has been sent a draft of the (i) option
- Stakeholder Workgroup
- DMA will develop a Clinical Coverage Policy
- DMA will develop a fiscal note; final rate
- DMA will submit a State Plan Amendment (SPA)
- DMA will submit a 1915 b waiver amendment
  - Updated capitation rates

# ***Projected Costs of 1915 (i) Option***

## Final Cost Determination

- Finalize service (eligibility & service limits)
- Finalize rate
- Determine ability to put service into capitation under the 1915 b waiver (manage the cost and delivery)
- **This would be NEW money.**
- **How to manage ‘woodwork effect?’**
- **The following example is a conservative estimate of cost:**

## ***Projected Costs of 1915 (i) Option (conservative estimate)***

**Who could *potentially* qualify for the service is based on the following\*:**

- Individuals who live in licensed facilities with I/DD who do not meet criteria for Personal Care Services (PCS) (4153 individuals)
- Individuals with I/DD who live in private residences who do not meet criteria for PCS services as determined b CCME (157 individuals)

\*December 2012 PCS assessment results

Page 14

## ***Projected Costs of 1915 (i) Option (conservative estimate)***

### **Estimated Service Utilization**

- Overall average across settings (home and facility) is 46.5 hours or 186 units per month

\*Note – Averages are not specific to I/DD

### **Estimated Rate**

- Comparable to State-funded service Personal Assistance
  - training (habilitation) and assistance with ADLs
- Rate is \$4.46 per 15 minute unit / \$17.84 per hour

## ***Projected Costs of 1915 (i) Option (conservative estimate)***

**(Based on avg monthly PCS)**

SFY	2013 / 2014	2014 / 2015	2015 / 2016	2016 / 2017
<b>Additional Costs / (Savings)</b>	<b>\$2,840,430</b>	<b>\$2,931,608</b>	<b>\$3,025,712</b>	<b>\$3,122,838</b>
<b>Federal Share</b>	<b>\$1,866,447</b>	<b>\$1,926,359</b>	<b>\$1,988,196</b>	<b>\$2,052,017</b>
<b>State Share</b>	<b>\$973,983</b>	<b>\$1,005,248</b>	<b>\$1,037,517</b>	<b>\$1,070,821</b>

# Questions?